UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: (Date of Earliest Event Reported): **August 19, 2024**

THE ARENA GROUP HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	**001-12471**	**68-0232575**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

200 VESEY STREET, 24TH FLOOR NEW YORK, NEW YORK	**10281**
(Address of principal executive offices)	(Zip code)

212-321-5002
(Registrant's telephone number including area code)

(Former name or former address if changed since last report)

Securities registered pursuant in Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	AREN	NYSE American

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Amendment to Simplify Loan Amendment

On August 19, 2024, The Arena Group Holdings, Inc. (the "Company") entered into an amendment (the "Amendment") to its loan agreement dated March 13, 2024 with Simplify Inventions, LLC ("Simplify") as lender (the "Simplify Loan"). As amended, the Simplify Loan provides for up to $50 million of borrowings and will mature on December 1, 2026. The parties also entered into an amended and restated promissory note dated August 19, 2024 to memorialize these changes.

The foregoing description of the Simplify Loan and the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment and the related amended and restated promissory note among the Company, certain of its subsidiaries and Simplify, copies of which are filed herewith as Exhibits 10.1 and 10.2.

Debt Exchange for Common Stock

On August 19, 2024, the Company and Simplify also entered into a Common Stock Purchase Agreement (the "Purchase Agreement"), whereby $15,000,000 of outstanding indebtedness under the Simplify Loan was exchanged for 17,797,817 shares (the "Shares") of the Company's common stock, or a price of approximately $0.84 per share. The Purchase Agreement includes customary representations, warranties and covenants of both the Company and Simplify.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement, a copy of which is filed herewith as Exhibit 10.3.

Item 1.02. Termination of a Material Definitive Agreement.

Effective August 19, 2024, the Business Combination Agreement, dated November 5, 2023, as amended (the "Business Combination Agreement"), among the Company, Simplify, Bridge Media Networks, LLC, New Arena Holdco, Inc., Energy Merger Sub I, LLC and Energy Merger Sub II, LLC was terminated by mutual agreement. The Business Combination Agreement was terminated as a result of previously disclosed negotiations between the Company and Simplify around alternative structures or options to the transactions contemplated by the Business Combination Agreement. The Company incurred no penalties as a result of the early termination of the Business Combination Agreement.

Item 2.02 Results of Operations and Financial Condition.

On August 19, 2024, the Company issued a press release announcing its financial results for the quarter ended June 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished with this Item 2.02, including Exhibit 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Current Report on Form 8-K regarding the Amendment is also responsive to Item 2.03 and incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth under Item 1.01 of this Current Report on Form 8-K regarding the Purchase Agreement is also responsive to Item 3.02 and incorporated by reference into this Item 3.02. Based in part upon the representations and warranties of Simplify in the Purchase Agreement, the offer and sale of the Shares was made in reliance on the exemption afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, and corresponding provisions of state securities or "blue sky" laws. The Shares have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission (the "SEC") or an applicable exemption from the registration requirements. The sale of the Shares did not involve a public offering and was made without general solicitation or general advertising. Simplify represented that it is an accredited investor, as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and that it is acquiring the Shares for investment purposes only and not with a view to any resale, distribution or other disposition of the Shares in violation of the U.S. federal securities laws. Neither this Current Report on Form 8-K nor any exhibit attached hereto is an offer to sell or the solicitation of an offer to buy shares of the Company's common stock or other securities of the Company.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

10.1	Amendment No. 1 to Loan Documents between the Company and Simplify Inventions, LLC dated August 19, 2024.
10.2	Amended and Restated Promissory Note issued by the Company to Simplify Inventions, LLC dated August 19, 2024.
10.3	Common Stock Purchase Agreement between the Company and Simplify Inventions, LLC dated August 19, 2024.
99.1	Press release dated August 19, 2024 announcing financial results for the quarter ended June 30, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE ARENA GROUP HOLDINGS, INC.

Dated: August 22, 2024

By: */s/ Sara Silverstein*
Name: Sara Silverstein
Title: Chief Executive Officer

Exhibit 10.1

AMENDMENT NO. 1 TO LOAN DOCUMENTS

THIS AMENDMENT NO. 1 TO LOAN DOCUMENTS ("Amendment") is dated as of August 19, 2024 ("Effective Date"), by and between SIMPLIFY INVENTIONS, LLC, a Delaware limited liability company ("Lender"), and THE ARENA GROUP HOLDINGS, INC., a Delaware corporation ("Borrower"), and is acknowledged, agreed and affirmed by each of the undersigned guarantors that are a party to the Guaranty (defined below) (each, a "Guarantor" and collectively, the "Guarantors").

RECITALS

A. **LOAN AGREEMENT**. Borrower is indebted to Lender under that certain Loan Agreement dated as of March 13, 2024 (the "Loan Agreement"), with respect to a certain demand revolving loan made by Lender to Borrower in the maximum principal amount of Twenty-Five Million and 00/100 Dollars ($25,000,000.00) (the "Loan"). The Loan is supported and/or secured by certain other loan documents executed in connection with the Loan. All capitalized terms used but not defined in this Amendment have the meanings ascribed to them in the Loan Agreement or in the Loan Documents being amended.

B. **EVIDENCE OF DEBT**. The Loan is evidenced by a certain Demand Promissory Note in the maximum principal amount of Twenty-Five Million and 00/100 Dollars ($25,000,000.00) dated as of March 13, 2024, as amended, restated, replaced and continued by that certain Amended and Restated Promissory Note dated as of the date hereof in the maximum principal amount of Fifty Million and 00/100 Dollars ($50,000,000.00) (collectively, the "Note").

C. **COLLATERAL**. The Loan is supported and/or secured by the following loan documents:

- Continuing Unconditional Guaranty dated March 13, 2024 (the "Guaranty") of the following Guarantors: The Arena Platform, Inc., a Delaware corporation, TheStreet, Inc., a Delaware corporation, The Arena Media Brands, LLC, a Delaware limited liability company, College Spun Media Incorporated, a New Jersey corporation, Athlon Sports Communications, Inc., a Tennessee corporation, and Athlon Holdings, Inc., a Tennessee corporation;

- Pledge and Security Agreement dated March 13, 2024 ("Security Agreement");

- Perfection Certificate dated March 13, 2024 ("Perfection Certificate");

- Tennessee Indebtedness Tax Affidavit Allocation of Collateral (Debtor) dated March 13, 2024 ("Tennessee Affidavit");

- Grant of Security Interest in Trademarks dated March 13, 2024 ("Trademark Security Agreement");

- Grant of Security Interest in Patents dated March 13, 2024 ("Patent Security Agreement");

- Grant of Security Interest in Copyrights dated March 13, 2024 ("Copyright Security Agreement"); and

- Intercreditor Agreement dated March 13, 2024 by and between Lender and Renew Group Private Limited, a private limited company organized under the laws of the Republic of Singapore, and acknowledged by Borrower ("Intercreditor Agreement").

(The above documents are collectively referred to as the "Related Documents").

(The Related Documents together with the Loan Agreement and the Note are collectively, the "Loan Documents").

D. **AMENDMENT REQUEST**. Borrower, Guarantors and Lender desire to amend certain of the terms and conditions of the Loan Agreement and certain of the Loan Documents described above and all of the parties are willing to execute this Amendment.

AGREEMENT

In consideration of the above recitals, which are incorporated into and deemed a part hereof, the parties agree as follows:

1. **AMENDMENTS.** The Loan Agreement and Loan Documents are amended as follows:

A. **AMENDMENT OF LOAN AGREEMENT.** The Loan Agreement is amended as follows:

(i) The new definition of "Loan Amount" is inserted Section 1.1 of the Loan Agreement in alphabetical order and state as follows:

"'Loan Amount' shall mean maximum principal amount of Fifty Million and 00/100 Dollars ($50,000,000.00)."

(ii) The new definition of "Maturity Date" is inserted Section 1.1 of the Loan Agreement in alphabetical order and state as follows:

"'Maturity Date' shall mean December 1, 2026."

(iii) "Exhibit A" attached to the Loan Agreement referenced in the definition of "Note" in Section 1.1 of the Loan Agreement is hereby amended, restated and replaced in its entirety with the **Exhibit A** attached to this Amendment

(iv) Section 2.1 of the Loan Agreement is hereby amended and restated in its entirety and states as follows:

"2.1 Revolving Loan. On and subject to the terms and conditions of this Agreement, prior to the Maturity Date, Lender may make advances to Borrower (collectively, the 'Loan'); provided, however, that the aggregate unpaid principal balance of the Loan shall not exceed the Loan Amount. Advances of the Loan made by Lender may be repaid and, subject to the terms and conditions hereof, borrowed again prior to the Maturity Date.

(v) Section 3.3 of the Loan Agreement is hereby amended and restated in its entirety and states as follows:

"3.3 Interest Payments. Borrower shall make payments of accrued and unpaid interest on the unpaid principal balance of the Loan monthly, in arrears, on the first day of each month. The entire outstanding principal balance and accrued and unpaid interest and fees owing in connection with the Loan shall be due and payable in full on the Maturity Date.

(vi) Section 3.5 of the Loan Agreement is hereby amended and restated in its entirety and states as follows:

"3.5 Principal Payments. Borrower may voluntarily repay all or any portion of the unpaid principal balance of the Loan at any time without penalty or fee; provided, however that the entire outstanding principal balance and accrued and unpaid interest and fees owing in connection with the Loan shall be due and payable in full on the Maturity Date.

(vii) Section 6.1(a) of the Loan Agreement is hereby amended and restated in its entirety and states as follows:

"6.1(a) Nonpayment of Obligations. The Borrower fails to pay any amount of (i) principal or interest on the Loan, or (ii) any other amounts due and payable under this Agreement when any such payments are due."

B. **AMENDMENT OF TENNESSEE AFFIDAVIT.** Upon request of Lender, Borrower agrees to promptly execute, or cause to be executed, and return to Lender an original notarized Tennessee Indebtedness Tax Affidavit – Allocation of Collateral (Debtor) in form required by the taxing authority of the State of Tennessee and acceptable to Lender.

2. **CONDITIONS PRECEDENT.** The terms and conditions of this Amendment shall be subject to Lender's receipt and review (as applicable) of and/or Borrower's compliance with the following, each of which shall be to the satisfaction of Lender:

A. the Amended and Restated Promissory Note dated as of the date hereof in the maximum principal amount of Fifty Million and 00/100 Dollars ($50,000,000.00) executed by Borrower;

B. this Amendment executed by Borrower;

C. such other documentation that Lender may request from Borrower from time to time in connection with this Amendment or the Loan;

D. payment by Borrower to Lender of fees and out of pocket costs incurred by Lender in connection with the transactions contemplated by this Amendment, including, without limitation, Lender's attorneys' fees and costs in connection with this Amendment; and

E. no Event of Default under the Loan Agreement or the Loan Documents shall have occurred and be continuing as of the date hereof.

3. **NOT A NOVATION.** This Amendment is not an agreement to substitute a new obligation or to extinguish Borrower's existing obligation under the Loan Agreement and Loan Documents and shall not constitute a novation as to the obligations of any of the parties.

4. **REAFFIRMATION OF GUARANTY.** As a specific inducement to Lender, and in consideration of the Lender's reliance hereon, the undersigned Guarantors have each executed the Guaranty dated March 13, 2024, and each Guarantor hereby acknowledges and agrees to the amendments, modifications, and waivers set forth in this Amendment and the Note and reaffirms its Guaranty with respect to all liabilities, obligations and the Indebtedness therein guaranteed as herein amended and modified, and Guarantors further acknowledge that they remain liable in accordance with the terms of the Guaranty, notwithstanding the modifications and amendments herein made.

5. **REPRESENTATIONS AND WARRANTIES**. Borrower hereby represents and warrants that, after giving effect to the amendments contained herein:

A. execution, delivery and performance of this Amendment, the Loan Documents and any other documents and instruments required under this Amendment, the Note, the Loan Agreement or the Loan Documents are within Borrower's corporate powers, have been duly authorized, are not in contravention of law or the terms of Borrower's Articles of Incorporation or Bylaws, and do not require the consent or approval of any governmental body, agency or authority; and this Amendment and any other documents and instruments required under this Amendment or the Loan Agreement will be valid and binding in accordance with their terms;

B the continuing representations and warranties of Borrower set forth in the Loan Documents are true and correct on and as of the date hereof, with the same force and effect as if made on and as of the date hereof; and

C. no Event of Default under the Loan Agreement or the Loan Documents has occurred and is continuing as of the date hereof.

6. **EFFECTIVE DATE**. This Amendment will be effective as of the Effective Date.

7. **COUNTERPARTS.** This Amendment may be executed and acknowledged in counterparts, each of which shall constitute an original and all of which shall together constitute one and the same Amendment.

8. **COSTS AND EXPENSES.** Borrower is responsible for all fees and reasonable expenses incurred by Lender, including, without limitation, reasonable attorney fees, with regard to the preparation and execution of this Amendment and all other documents and instruments required under this Amendment. Failure by Borrower to pay those fees will be a default of this Amendment.

9. **NON-WAIVER OF DEFAULT**. The execution of this Amendment will not be deemed to be a waiver of any default or Event of Default that is either (a) existing and not known by Lender at the Effective Date, or (b) occurs at any time following the Effective Date.

10. **RELEASE**. Borrower and each Guarantor waives, discharges, and forever releases Lender, Lender's employees, officers, directors, attorneys, stockholders, and their successors and assigns, from and of any and all claims, causes of action, allegations or assertions that Borrower or any Guarantor has or may have had at any time up through and including the Effective Date, against any or all of the foregoing, regardless of whether any such claims, causes of action, allegations or assertions are known to Borrower or any Guarantor or whether any such claims, causes of action, allegations or assertions arose as a result of Lender's actions or omissions in connection with the Loan Documents, or any amendments, extensions or modifications thereto, or Lender's administration of the indebtedness under the Loan Documents or otherwise.

11. **FURTHER AMENDMENT.** This Amendment is not an agreement to any further or other amendment of the Loan Agreement or the Loan Documents.

12. **SURVIVAL AND REAFFIRMATION.** Each signatory hereto, by execution hereof, respectively agrees for itself, in all capacities in which each signatory has executed the Loan Agreement or any of the Loan Documents as follows:

A. That, except as herein modified or amended, all terms, conditions, covenants, representations and warranties contained in the Loan Agreement, the Note and/or Loan Documents shall remain in full force and effect, and that the undersigned hereby consent to and acknowledge the foregoing Amendment.

B. That the liability of the undersigned howsoever arising or provided for in the Loan Agreement, the Note and the Loan Documents, as hereby modified or amended, is hereby reaffirmed.

13. **COUNTERPARTS**. This Agreement may be executed in any number of counterparts with the same effect as if all signatories had signed the same document. All counterparts must be construed together to constitute one instrument. Facsimile or scanned copies of signatures are treated as original signatures for all purposes.

AMENDMENT NO. 1 TO LOAN DOCUMENTS

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to Loan Documents as of the Effective Date.

BORROWER:

THE ARENA GROUP HOLDINGS, INC.,
A Delaware corporation

By: */s/ Sara Silverstein*
Sara Silverstein
Its: Chief Executive Officer

LENDER:

SIMPLIFY INVENTIONS, LLC,
a Delaware limited liability company

By: */s/ Shawn McCue*
Shawn McCue
Its: Chief Financial Officer

EXHIBIT A
FORM OF AMENDED AND RESTATED NOTE

See attached.

Execution Copy

AGREEMENT AND AFFIRMATION OF GUARANTORS

By executing this Agreement and Affirmation of Guarantors ("Agreement and Affirmation"), each Guarantor: (1) acknowledges and agrees that such Guarantor has completely read and understands the Amendment No. 1 to Loan Documents dated August 19, 2024 (the "Amendment"), the Amended and Restated Promissory Note dated August 19, 2024 and corresponding documents executed in connection therewith ("Amendment Documents"); (2) consents to all of the provisions of the Amendment Documents relating to Borrower; (3) acknowledges receipt of good and lawful consideration for this Agreement and Affirmation of its Guaranty in favor of Lender; (4) agrees promptly to furnish such financial statements to Lender concerning such Guarantor as Lender shall request; (5) agrees to all of those portions of the Amendment Documents which apply to such Guarantor; (6) affirms its respective obligations to Lender under the Guaranty and acknowledges that the Guaranty remains in full force and effect in accordance with its terms, as the same may have been amended and/or restated in connection with the Amendment, subject to no setoff, defense or counterclaim, (7) acknowledges and agrees that the Amendment Documents and this Agreement and Affirmation has been freely executed without duress and after an opportunity was provided to Guarantor for review of such agreements by competent legal counsel of Guarantor's choice; and (8) acknowledges that Lender has provided Guarantor with a copy of the Amendment Documents and this Agreement and Affirmation and such other Loan Documents, as Guarantor has reasonably requested.

GUARANTORS:

The Arena Platform, Inc.,
a Delaware corporation

By: */s/ Sara Silverstein*
Sara Silverstein
Its: Chief Executive Officer

TheStreet, Inc.,
a Delaware corporation

By: */s/ Sara Silverstein*
Sara Silverstein
Its: Chief Executive Officer

The Arena Media Brands, LLC,
a Delaware limited liability company

By: */s/ Sara Silverstein*
Sara Silverstein
Its: Chief Executive Officer

College Spun Media Incorporated,
a New Jersey corporation,

By: */s/ Sara Silverstein*
Sara Silverstein
Its: Chief Executive Officer

Athlon Sports Communications, Inc.,
a Tennessee corporation

By: */s/ Sara Silverstein*
Sara Silverstein
Its: Chief Executive Officer

Athlon Holdings, Inc.,
a Tennessee corporation

By: */s/ Sara Silverstein*
Sara Silverstein
Its: Chief Executive Officer

ACKNOWLEDGEMENT AND AGREEMENT OF GUARANTORS

Exhibit 10.2

AMENDED AND RESTATED PROMISSORY NOTE

$50,000,000.00 August 19, 2024

1. Promise to Pay. FOR VALUE RECEIVED, THE ARENA GROUP HOLDINGS, INC., a Delaware corporation (the "Borrower"), hereby promises to pay SIMPLIFY INVENTIONS, LLC, a Delaware limited liability company (the "Lender"), the principal amount of FIFTY MILLION AND 00/100 DOLLARS ($50,000,000.00), together with interest thereon, or such lesser amount as may be advanced to Borrower by Lender pursuant to the Loan Agreement referred to below from time to time. ***This Amended and Restated Promissory Note amends, restates, replaces and continues in its entirety that certain Demand Promissory Note dated as of March 13, 2024 executed by Borrower in favor of Lender.***

2. Interest and Principal. Interest on the principal amount shall be computed and paid in accordance with the terms of the Loan Agreement. The principal amount shall be due and payable in accordance with the Loan Agreement. This Note may be prepaid in whole or in part at any time from time to time without penalty, except as provided in the Loan Agreement. All payments hereunder shall be applied in the order of priority set forth in the Loan Agreement.

3. Loan Agreement. This Note evidences the Loan incurred under, and payment hereof may be accelerated as provided in, that certain Loan Agreement dated as of March 13, 2024 (as amended of even date herewith by that certain Amendment No. 1 to Loan Documents and as amended, restated, modified or supplemented from time to time and in effect, the "Loan Agreement"), by and between the Borrower and the Lender. Reference is hereby made for a statement of the terms and provisions under which this Note may or must be paid prior to its due date or its due date accelerated. Terms not otherwise defined herein are used herein as defined in the Loan Agreement.

4. Waivers; Enforcement Costs. The Borrower hereby waives protest, demand, notice of nonpayment and all other notices in connection with the performance or enforcement of this Note. No delay on the part of the Lender in the exercise of any right or remedy shall operate as a waiver thereof. The remedies of the Lender are cumulative and no single or partial exercise of any right or remedy available to the Lender shall preclude other or further exercise thereof or the exercise of any other right or remedy. The Borrower promises to pay all costs of collection, including attorneys' fees and legal expenses as set forth in the Loan Agreement.

5. Governing Law. This Note shall be governed by the laws of the State of Delaware, which laws shall govern the enforceability, validity and interpretation of this Note.

[REMAINDER OF THE PAGE IS INTENTIONALLY BLANK; SIGNATURE PAGE ON NEXT PAGE]

IN WITNESS WHEREOF, the Borrower has executed this Note as of the day and year first above written.

THE ARENA GROUP HOLDINGS, INC.,
a Delaware corporation

By: */s/ Sara Silverstein*
Sara Silverstein
Its: Chief Executive Officer

Exhibit 10.3

THE ARENA GROUP HOLDINGS, INC.

AND

SIMPLIFY INVENTIONS, LLC

COMMON STOCK PURCHASE AGREEMENT

AUGUST 19, 2024

THE ARENA GROUP HOLDINGS, INC.
COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this "*Agreement*") is made as of August 19, 2024 by and between **THE ARENA GROUP HOLDINGS, INC.**, a Delaware corporation (the "*Company*"), and **SIMPLIFY INVENTIONS, LLC**, a Delaware limited liability company (the "*Purchaser*").

RECITALS

A. The Company has authorized the sale and issuance of 17,797,817 shares (the "*Shares*") of the common stock of the Company, $0.01 par value per share (the "*Common Stock*"), to the Purchaser in a private placement (the "*Offering*").

B. The Company and the Purchaser have agreed that the purchase price for the Shares shall consist of a reduction of $15,000,000 in the outstanding principal balance of the Demand Promissory Note (the "*Note*") dated March 13, 2024 evidencing a loan made by Purchaser to the Company pursuant to the terms and conditions set forth in that certain Loan Agreement between the Company and the Purchaser dated as of March 13, 2024 (the "*Loan Agreement*").

C. Pursuant to Section 4(a)(2) of the Securities Act of 1933 (the "*Securities Act*") and Rule 506 promulgated thereunder, the Company desires to sell to the Purchaser, and the Purchaser desires to purchase from the Company, the Shares on the terms and subject to the conditions set forth in this Agreement.

TERMS AND CONDITIONS

Now, therefore, in consideration of the foregoing recitals and the mutual covenants and agreements contained herein, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Purchase of the Shares.

1.1 Agreement to Sell and Purchase. At the Closing (defined below), the Company will issue and sell to the Purchaser, and the Purchaser will purchase from the Company, the Shares for an aggregate purchase price of $15,000,000, payable through a reduction of $15,000,000 in the outstanding principal balance of the Note (the "*Purchase Price*").

1.2 Closing; Closing Date. The completion of the sale and purchase of the Shares (the "*Closing*") shall be held at 9:00 a.m. (Eastern Time) as soon as practicable following the satisfaction of the conditions set forth in Section 4 (the "*Closing Date*"), at the corporate offices of the Company, or at such other time and place as the Company and the Purchaser may mutually agree.

1.3 Delivery of the Shares.

(a) At the Closing, subject to the terms and conditions hereof, the Company shall sell the Shares, including by delivering to the Purchaser (i) a copy of irrevocable instructions delivered to the transfer agent of the Company (the "*Transfer Agent*"), in form and substance acceptable to the Transfer Agent, instructing the Transfer Agent to deliver to the Purchaser, on an expedited basis, the Shares in book entry form in the Direct Registration System and/or (ii) a copy of a DTC/DWAC letter of authorization, duly completed and executed by the Company, authorizing the Shares to be issued to the Purchaser's brokerage account specified in Schedule A attached hereto.

(b) The delivery of the Shares by the Company at the Closing shall be made and evidenced with such other actions and documents as are reasonably required by the Company and the Transfer Agent in order to record and evidence the transfer of the Shares with the Transfer Agent and on the books and records of the Company.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchaser:

2.1 Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement has been taken. The Company has the requisite corporate power to enter into this Agreement and carry out and perform its obligations under the terms of this Agreement. At the Closing, the Company will have the requisite corporate power to issue and sell the Shares. This Agreement has been duly authorized, executed and delivered by the Company and, upon due execution and delivery by the Purchaser, this Agreement will be a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by equitable principles.

2.2 No Conflict with Other Instruments. The execution, delivery and performance of this Agreement, the issuance and sale of the Shares to be sold by the Company under this Agreement, and the consummation of the actions contemplated by this Agreement will not (A) result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice: (i) any provision of the Company's or its subsidiaries' certificates of incorporation or bylaws as in effect on the date hereof or at the Closing; (ii) any provision of any judgment, arbitration ruling, decree or order to which the Company or its subsidiaries are a party or by which they are bound; (iii) any bond, debenture, note or other evidence of indebtedness, or any lease, contract, mortgage, indenture, deed of trust, loan agreement, joint venture or other agreement, instrument or commitment to which the Company or any subsidiary is a party or by which they or their respective properties are bound; or (iv) any statute, rule, law or governmental regulation applicable to the Company; or (B) result in the creation or imposition of any lien, encumbrance, claim, security interest or restriction whatsoever upon any of the properties or assets of the Company or any subsidiary or any acceleration of indebtedness pursuant to any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or any indenture, mortgage, deed of trust or any other agreement or instrument to which the Company or any subsidiary are a party or by which they are bound or to which any of the property or assets of the Company or any subsidiary is subject. No consent, approval, authorization or other order of, or registration, qualification or filing with, any regulatory body, administrative agency, or other governmental body is required for the execution and delivery of this Agreement by the Company and the valid issuance or sale of the Shares by the Company pursuant to this Agreement, other than such as have been made or obtained and that remain in full force and effect, and except for the filing of a Form D and Form 8-K or any filings required to be made under state securities laws.

2.3 Certificate of Incorporation; Bylaws. The Company has made available (including by means of its public filing on EDGAR) to the Purchaser true, correct and complete copies of the certificate of incorporation and bylaws of the Company, as in effect on the date hereof.

2.4 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted. The Company and each of its subsidiaries has full power and authority to own, operate and occupy its properties and to conduct its business as presently conducted and is duly qualified to transact business and is in good standing in each jurisdiction in which the failure so to qualify would have a material adverse effect on its or its subsidiaries' business, financial condition, properties, operations, or assets or its ability to perform its obligations under this Agreement (a "*Material Adverse Effect*").

2.5 SEC Filings. The consolidated financial statements contained in each report, registration statement and definitive proxy statement filed by the Company with the Securities and Exchange Commission (the "*SEC*," and the documents, the "*Company SEC Documents*"): (i) complied as to form in all material respects with the published rules and regulations of the SEC applicable thereto and were timely filed; (ii) the information contained therein as of the respective dates thereof did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading; (iii) were prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered, except as may be indicated in the notes to such financial statements and (in the case of unaudited statements) as permitted by Form 10-Q of the SEC, and except that unaudited financial statements may not contain footnotes and are subject to year-end audit adjustments; and (iv) fairly present the consolidated financial position of the Company and its subsidiaries as of the respective dates thereof and the consolidated results of operations cash flows and the changes in stockholders' equity of the Company and its subsidiaries for the periods covered thereby. Except as set forth in the financial statements included in the Company SEC Documents or pursuant to the Loan Agreement and the Note, neither the Company nor its subsidiaries has any liabilities, contingent or otherwise, other than liabilities incurred in the ordinary course of business subsequent to June 30, 2024, and liabilities of the type not required under generally accepted accounting principles to be reflected in such financial statements. Such liabilities incurred subsequent to June 30, 2024, are not, in the aggregate, material to the financial condition or operating results of the Company and its subsidiaries, taken as a whole, except for liabilities pursuant to the Loan Agreement and the Note.

2.6 Capitalization. The authorized capital stock of the Company is as set forth in the Company SEC Documents. All issued and outstanding shares of common stock have been duly authorized and validly issued, are fully paid and nonassessable, have been issued and sold in compliance with the registration requirements of federal and state securities laws or the applicable statutes of limitation have expired, and were not issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except as set forth herein or the Company SEC Documents, there are no (i) outstanding rights (including, without limitation, preemptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any unissued shares of capital stock or other equity interest in the Company, or any contract, commitment, agreement, understanding or arrangement of any kind to which the Company or any subsidiary is a party and relating to the issuance or sale of any capital stock or convertible or exchangeable security of the Company or any subsidiary, other than equity awards granted pursuant to its 2019 Equity Incentive Plan; or (ii) obligations of the Company to purchase, redeem or otherwise acquire any of its outstanding capital stock or any interest therein or to pay any dividend or make any other distribution in respect thereof. Except as disclosed in the Company SEC Documents, there are no anti-dilution or price adjustment provisions, co-sale rights, registration rights, rights of first refusal or other similar rights contained in the terms governing any outstanding security of the Company that will be triggered by the issuance of the Shares.

2.7 Subsidiaries. Except as set forth in the Company SEC Documents, the Company does not presently own or control, directly or indirectly, and has no stock or other interest as owner or principal in, any other corporation or partnership, joint venture, association or other business venture or entity (each a "*subsidiary*"). Each subsidiary is duly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite power and authority to carry on its business as now conducted. Each subsidiary is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect. All of the outstanding capital stock or other securities of each subsidiary is owned by the Company, directly or indirectly, free and clear of any liens, claims, or encumbrances.

2.8 Valid Issuance of Shares. The Shares are duly authorized and, when issued, sold and delivered in accordance with the terms hereof, will be duly and validly authorized and issued, fully paid and nonassessable, free from all taxes, liens, claims, encumbrances and charges with respect to the issue thereof; provided, however, that the Shares may be subject to restrictions on transfer under state and/or federal securities laws or as otherwise set forth herein. The issuance, sale and delivery of the Shares in accordance with the terms hereof will not be subject to preemptive rights of stockholders of the Company.

2.9 Offering. Assuming the accuracy of the representations of the Purchaser in Section 3.3 of this Agreement on the date hereof and on the Closing Date, the offer, issue and sale of the Shares are and will be exempt from the registration and prospectus delivery requirements of the Securities Act and have been or will be registered or qualified (or are or will be exempt from registration and qualification) under the registration, permit or qualification requirements of all applicable state securities laws. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales of any security or solicited any offers to buy any security under circumstances that would require registration under the Securities Act of the issuance of the Shares to the Purchaser. Other than the Company SEC Documents, the Company has not distributed and will not distribute prior to the Closing Date any offering material in connection with the offering and sale of the Shares. The Company has not taken any action to sell, offer for sale or solicit offers to buy any securities of the Company which would bring the offer, issuance or sale of the Shares within the provisions of Section 5 of the Securities Act, unless such offer, issuance or sale was or shall be within the exemptions of Section 4 of the Securities Act.

2.10 Litigation. Except as set forth in the Company SEC Documents, court documents or filings of any court located within the United States, or as disclosed to the Purchaser on the attached Schedule 2.10 (each a lawsuit with an amount in controversy greater than $100,000.00, there is no action, suit, proceeding nor investigation pending nor, to the Company's knowledge, currently threatened against the Company or any of its subsidiaries that (a) if adversely determined would reasonably be expected to have a Material Adverse Effect or (b) would be required to be disclosed in the Company's Annual Report on Form 10-K under the requirements of Item 103 of Regulation S-K. The foregoing includes, without limitation, any action, suit, proceeding or investigation, pending or threatened, that questions the validity of this Agreement or the right of the Company to enter into such Agreement and perform its obligations hereunder. Neither the Company nor any subsidiary is subject to any injunction, judgment, decree or order of any court, regulatory body, arbitral panel, administrative agency or other government body that would reasonably be expected to have a Material Adverse Effect.

2.11 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state, local or provincial governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement, except for notices required or permitted to be filed with certain state and federal securities commissions, which notices will be filed on a timely basis.

2.12 No Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based on arrangements made by the Company.

2.13 Compliance. The Company is not in violation of its certificate of incorporation or bylaws. Neither the Company nor any of its subsidiaries has been advised or has reason to believe, that it is not conducting its business in compliance with all applicable laws, rules and regulations of the jurisdictions in which it is conducting business, including, without limitation, all applicable local, state and federal environmental laws and regulations; except where failure to be so in compliance would not have a Material Adverse Effect. Each of the Company and its subsidiaries have all necessary franchises, licenses, certificates and other authorizations from any foreign, federal, state or local government or governmental agency, department or body that are currently necessary for the operation of the business of the Company and its subsidiaries as currently conducted, except where the failure to currently possess such franchises, licenses, certificates and other authorizations would not reasonably be expected to have a Material Adverse Effect.

2.14 No Material Changes. Except as disclosed in the Company SEC Documents or pursuant to the Loan Agreement and the Note, since June 30, 2024, there has been no material adverse change in the assets, liabilities, business, properties, operations, financial condition or results of operations of the Company and its subsidiaries, taken as a whole. Since June 30, 2024, the Company has not declared or paid any dividend or distribution or its capital stock.

2.15 Contracts. Except for matters which are not reasonably likely to have a Material Adverse Effect and those contracts that are substantially or fully performed or expired by their terms, or as otherwise disclosed in the Company SEC Documents, the contracts listed as exhibits to or described in the Company SEC Documents that are material to the Company or any of its subsidiaries and all amendments thereto, are in full force and effect on the date hereof, and neither the Company nor, to the Company' knowledge, any other party to such contracts is in breach of or default under any of such contracts. The Company has no contracts or agreements that would constitute a material contract as such term is defined in Item 601(b) of Regulation S-K, except for such contracts or agreements that are filed as exhibits to or described in the Company SEC Documents.

2.16 Intellectual Property.

(a) Except as would not reasonably be expected to have a Material Adverse Effect, the Company has ownership or license or legal right to use all patent, copyright, trade secret, know-how trademark, trade name customer lists, designs, manufacturing or other processes, computer software, systems, data compilation, research results or other proprietary rights used in the business of the Company (collectively "*Intellectual Property*"). All of such patents, registered trademarks and registered copyrights have been duly registered in, filed in or issued by the United States Patent and Trademark Office, the United States Register of Copyrights or the corresponding offices of other jurisdictions and have been maintained and renewed in accordance with all applicable provisions of law and administrative regulations in the United States and all such jurisdictions. The Company believes it has taken all reasonable steps required in accordance with sound business practice and business judgment to establish and preserve its and its subsidiaries' ownership of all material Intellectual Property with respect to their products and technology.

(b) To the knowledge of the Company, the present business, activities and products of the Company and its subsidiaries do not infringe any intellectual property of any other person, except where such infringement would not have a Material Adverse Effect. No proceeding charging the Company with infringement of any adversely held Intellectual Property has been filed.

(c) No proceedings have been instituted or pending or, to the knowledge of the Company, threatened, which challenge the rights of the Company to the use of the Intellectual Property. The Company has the right to use, free and clear of material claims or rights of other persons, all of its customer lists, designs, computer software, systems, data compilations, and other information that are required for its products or its business as presently conducted. Neither the Company nor any subsidiary is making unauthorized use of any confidential information or trade secrets of any person. The activities of any of the employees on behalf of the Company or of any subsidiary do not violate any agreements or arrangements between such employees and third parties that are related to confidential information or trade secrets of third parties or that restrict any such employee's engagement in business activity of any nature.

(d) Except as would not reasonably be expected to have a Material Adverse Effect, all licenses or other agreements under which (i) the Company or any subsidiary employs rights in Intellectual Property, or (ii) the Company or any subsidiary has granted rights to others in Intellectual Property owned or licensed by the Company or any subsidiary are in full force and effect, and there is no default (and there exists no condition which, with the passage of time or otherwise, would constitute a default by the Company or such subsidiary) by the Company or any subsidiary with respect thereto.

2.17 Exchange Compliance. The Company's common stock is registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the "*Exchange Act*") and is listed on the NYSE American (the "*Principal Market*"), and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or delisting the Common Stock (including the Shares) from the Principal Market. Except as disclosed in the Company SEC Documents, the Company has not received a notice from the Principal Market with respect to its non-compliance with any of the presently applicable requirements for continued listing of the Common Stock on the Principal Market.

2.18 Accountants. Marcum LLP, who expressed their opinion with respect to the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, have advised the Company that they are, and to the knowledge of the Company they are, independent accountants as required by the Securities Act and the rules and regulations promulgated thereunder. The Company covenants to file its Form 10-K containing audited consolidated financial statements for the year ended December 31, 2024 within the time period required by applicable securities laws and further represents and warrants that it has no reason to believe that the auditors will not be able to express an unqualified opinion with respect to such financial statements, assuming the Closing occurs as contemplated herein.

2.19 Taxes. Except as would not reasonably be expected to have a Material Adverse Effect, the Company has filed all necessary federal, state, local and foreign income and franchise tax returns and has paid or accrued all taxes shown as due thereon, and the Company has no knowledge of a tax deficiency which has been or might be asserted or threatened against it by any taxing jurisdiction.

2.20 Insurance. The Company maintains and will continue to maintain insurance of the types and in the amounts that the Company reasonably believes is adequate for its business, including, but not limited to, insurance covering all real and personal property owned or leased by the Company against theft, damage, destruction, acts of vandalism and all other risks customarily insured against by similarly situated companies, all of which insurance is in full force and effect.

2.21 Transfer Taxes. On the Closing Date, all stock transfer or other taxes (other than income taxes) that are required to be paid in connection with the sale and transfer of the Shares hereunder will be, or will have been, fully paid or provided for by the Company and the Company will have complied with all laws imposing such taxes.

2.22 Investment Company. The Company (including its subsidiaries) is not an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for an investment company, within the meaning of the Investment Company Act of 1940 and will not be deemed an "investment company" as a result of the transactions contemplated by this Agreement.

2.23 Related Party Transactions. To the knowledge of the Company, no transaction has occurred between or among the Company or any of its affiliates (including, without limitation, any of its subsidiaries), officers or directors or any affiliate or affiliates of any such affiliate officer or director that with the passage of time will be required to be disclosed pursuant to Section 13, 14 or 15(d) of the Exchange Act other than those transactions that have already been so disclosed and the transactions contemplated by this Agreement.

2.24 Books and Records. The books, records and accounts of the Company and its subsidiaries accurately and fairly reflect, in reasonable detail, the transactions in, and dispositions of, the assets of, and the operations of, the Company and its subsidiaries.

2.25 Disclosure Controls and Internal Controls.

(a) The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act), which (i) are designed to ensure that material information relating to the Company is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared; and (ii) provide for the periodic evaluation of the effectiveness of such disclosure controls and procedures as of the end of the period covered by the Company's most recent annual or quarterly report filed with the SEC. The Company's disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act) are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure.

(b) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. The Company is not aware of (i) any significant deficiency in the design or operation of internal controls which could adversely affect the Company's or any of its subsidiary's ability to record, process, summarize and report financial data or any material weaknesses in internal controls; or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's or any of its subsidiary's internal controls.

(c) Since the date of the most recent evaluation of such disclosure controls and procedures, there have been no changes that have materially affected, or are reasonably likely to materially affect, the Company's or any of its subsidiary's internal control over financial reporting, including any corrective actions with regard to significant deficiencies and material weaknesses.

(d) Except as described in the Company SEC Documents, there are no material off-balance sheet arrangements (as defined in Item 303 of Regulation S-K), or any other relationships with unconsolidated entities (in which the Company or its control persons have an equity interest) that may have a material current or future effect on the Company's or any of its/subsidiary's financial condition, revenues or expenses, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources.

(e) Except as described in the Company SEC documents or court documents or filings of any court located within the United States, to the knowledge of the Company, neither the board of directors nor the audit committee has been informed, nor is any director of the Company aware, of (1) any significant deficiencies in the design or operation of the Company's internal controls which could adversely affect the Company's or any subsidiary's ability to record, process, summarize and report financial data or any material weakness in the Company's or any subsidiary's internal controls; or (2) any fraud, whether or not material, that involves current management or other employees of the Company or any of its subsidiaries who have a significant role in the Company's or any subsidiary's internal controls.

2.26 No General Solicitation. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D promulgated under the Securities Act) in connection with the offer or sale of the Shares.

2.27 Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the certificate of incorporation or the laws of the jurisdiction of its formation which is or could become applicable to the Purchaser as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Shares and the Purchaser's ownership of the Shares. The Company has not adopted a stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Common Stock or a change in control of the Company.

2.28 Foreign Corrupt Practices. Neither the Company nor any director, officer, agent, employee or other person acting on behalf of the Company has, in the course of its actions for, or on behalf of, the Company (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

2.29 Sarbanes-Oxley Act. The Company is in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective as of the date hereof, except where such noncompliance would not have, individually or in the aggregate, a Material Adverse Effect.

2.30 Employee Relations. The Company is not a party to any collective bargaining agreement or employs any member of a union. The Company believes that its relations with its employees are good. No executive officer of the Company (as defined in Rule 501(f) of the Securities Act) has notified the Company that such officer intends to leave the Company or otherwise terminate such officer's employment with the Company. No executive officer of the Company, to the knowledge of the Company, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer does not subject the Company to any liability with respect to any of the foregoing matters.

The Company is in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

2.31 Environmental Laws. The Company (i) is in compliance with any and all Environmental Laws (as hereinafter defined), (ii) has received all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business and (iii) is in compliance with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The term "*Environmental Laws*" means all federal, state, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "*Hazardous Materials*") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

2.32 No Manipulation; Disclosure of Information. The Company has not taken and will not take any action designed to or that might reasonably be expected to cause or result in an unlawful manipulation of the price of the Common Stock to facilitate the sale or resale of the Shares. The Company confirms that, to its knowledge, with the exception of the proposed sale of Shares as contemplated herein or in connection with the Loan Agreement and the Note (as to which the Company makes no representation), neither it nor any other person acting on its behalf has provided the Purchaser or its agents or counsel with any information that constitutes or might constitute material, non-public information. The Company understands and confirms that the Purchaser shall be relying on the foregoing representations in effecting transactions in securities of the Company. All disclosures provided to the Purchaser regarding the Company, its business and the transactions contemplated hereby, including the exhibits to this Agreement, furnished by the Company are true and correct and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

2.33 Forward-Looking Information. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) made by the Company or any of its officers or directors contained in the Company SEC Documents, or made available to the public generally since January 1, 2024, has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

2.34 No "Bad Actor" Disqualification. The Company has exercised reasonable care, in accordance with SEC rules and guidance, and has conducted a factual inquiry, the nature and scope of which reflect reasonable care under the relevant facts and circumstances, to determine whether any Covered Person (as defined below) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act ("*Disqualification Events*"). To the Company's knowledge, no Covered Person is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has complied, to the extent applicable, with any disclosure obligations under Rule 506(e) under the Securities Act. "*Covered Persons*" are those persons specified in Rule 506(d)(1) under the Securities Act, including the Company; any predecessor or affiliate of the Company; any director, executive officer, other officer participating in the offering, general partner or managing member of the Company; any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power; any promoter (as defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of the sale of the Shares; any investment manager of the Company that is a pooled investment fund (an "*Investment Manager*"); and any person that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Shares (a "*Solicitor*"), any general partner or managing member of any Investment Manager or Solicitor, and any director, executive officer or other officer participating in the offering of any Investment Manager or Solicitor or general partner or managing member of any Investment Manager or Solicitor.

3. Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Company as follows:

3.1 Legal Power. The Purchaser has the requisite authority to enter into this Agreement and to carry out and perform its obligations under the terms of this Agreement. All action on the Purchaser's part required for the lawful execution and delivery of this Agreement have been or will be effectively taken at or prior to the Closing.

3.2 Due Execution. This Agreement has been duly authorized, executed and delivered by the Purchaser, and, upon due execution and delivery by the Company, this Agreement will be a valid and binding agreement of the Purchaser, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or by equitable principles.

3.3 Investment Representations. In connection with the sale and issuance of the Shares, the Purchaser makes the following representations:

(a) Investment for Own Account. The Purchaser is acquiring the Shares for its own account, not as nominee or agent, and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act; provided, however, that by making the representations herein, the Purchaser does not agree to hold any of the Shares for any minimum or specific term and reserves the right to dispose of the Shares at any time in accordance with or pursuant to a registration statement or an exemption from the registration requirements of the Securities Act.

(b) Transfer Restrictions; Legends. The Purchaser understands that (i) the Shares have not been registered under the Securities Act; (ii) the Shares are being offered and sold pursuant to an exemption from registration, based in part upon the Company's reliance upon the statements and representations made by the Purchaser in this Agreement, and that the Shares must be held by the Purchaser indefinitely, and that the Purchaser must, therefore, bear the economic risk of such investment indefinitely, unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration; (iii) each certificate (or book entry statement in lieu thereof) representing the Shares will be endorsed with the following legend until the earlier of (1) in the case of the Shares, such date as the Shares have been registered for resale by the Purchaser or (2) the date the Shares are eligible for sale under Rule 144 under the Securities Act:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR UNDER THE SECURITIES LAWS OF ANY STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. UNLESS SOLD PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

(iv) the Company will instruct any transfer agent not to register the transfer of the Shares (or any portion thereof) until the applicable date set forth in clause (iii) above unless the conditions specified in the foregoing legends are satisfied or, if the opinion of counsel referred to above is to the further effect that such legend is not required in order to establish compliance with any provisions of the Securities Act or this Agreement, or other satisfactory assurances of such nature are given to the Company.

The Company acknowledges and agrees that the Purchaser may from time to time pledge, and/or grant a security interest in some or all of the Shares pursuant to a bona fide margin agreement in connection with a bona fide margin account and, if required under the terms of such agreement or account, the Purchaser may transfer pledged or secured Shares to the pledgees or secured parties. Such a pledge or transfer shall not be subject to approval or consent of the Company and no legal opinion of legal counsel to the pledgee, secured party or pledgor shall be required in connection with the pledge, but such legal opinion may be required in connection with a subsequent transfer following default by the Purchaser transferee of the pledge. No notice shall be required of such pledge. At the Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Shares may reasonably request in connection with a pledge or transfer of the Shares.

Certificates (or book entry statement in lieu thereof) evidencing the Shares shall not contain any legend (including the legend set forth in this Section): (i) following a sale of such Shares pursuant to an effective registration statement, or (ii) following a sale of such Shares pursuant to Rule 144, or (iii) while such Shares are eligible for sale under Rule 144 without limitations, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the Staff of the SEC). Following such time as restrictive legends are not required to be placed on certificates (or book entry statement in lieu thereof) representing Shares, the Company will, no later than two trading days following the delivery by the Purchaser to the Company or the Company's transfer agent of a certificate (or book entry statement in lieu thereof) making certain representations regarding the Shares containing a restrictive legend, deliver or cause to be delivered to the Purchaser a certificate representing such Shares that is free from all restrictive and other legends. The Company shall cause its counsel to issue a legal opinion to the Company's transfer agent promptly after the effective date of a registration statement covering the Shares if required by the Company's transfer agent to effect the removal of the legend hereunder. The Company may not make any notation on its records or give instructions to any transfer agent of the Company that enlarge the restrictions on transfer set forth in this Section. Certificates for Shares (or book entry statement in lieu thereof) subject to legend removal hereunder shall be transmitted by the transfer agent of the Company to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company system.

The Purchaser agrees that the removal of the restrictive legend from certificates representing Shares as set forth in this Section 3.3(b) is predicated upon the Company's reliance that the Purchaser will sell the Shares pursuant only to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom.

(c) Financial Sophistication; Due Diligence. The Purchaser has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in connection with the transactions contemplated in this Agreement. The Purchaser has, in connection with its decision to purchase the Shares, relied only upon the representations and warranties contained herein and the information contained in the Company SEC Documents. Further, the Purchaser has had such opportunity to obtain additional information and to ask questions of, and receive answers from, the Company, concerning the terms and conditions of the investment and the business and affairs of the Company, as the Purchaser considers necessary in order to form an investment decision.

(d) Accredited Investor Status. The Purchaser is an "accredited investor" as such term is defined in Rule 501(a) of the rules and regulations promulgated under the Securities Act.

(e) Residency. The Purchaser is organized under the laws of the state set forth beneath the Purchaser's name on the signature page attached hereto, and its principal place of operations is in the state set forth beneath the Purchaser's name on the signature page attached hereto.

(f) General Solicitation. The Purchaser is not purchasing the Shares as a result of any advertisement, article, notice or other communication regarding the Shares published in any newspaper, magazine or similar media or broadcast over the television or radio or presented at any seminar or any other general solicitation or general advertisement. Prior to the time that the Purchaser was first contacted by the Company in connection with this Agreement, the Purchaser had a pre-existing and substantial relationship with the Company.

3.4 No Investment, Tax or Legal Advice. The Purchaser understands that nothing in the Company SEC Documents, this Agreement, or any other materials presented to the Purchaser in connection with the purchase and sale of the Shares constitutes legal, tax or investment advice. The Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of Shares.

3.5 Additional Acknowledgement. The Purchaser acknowledges that (A) it has independently evaluated the merits of the transactions contemplated by this Agreement, that it has independently determined to enter into the transactions contemplated hereby, that it is not relying on any advice from or evaluation by any other person and (B) it has had the opportunity to review this Agreement and all related transaction documents (including all exhibits and schedules thereto) and the Company SEC Documents and has been afforded, (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Shares and the merits and risks of investing in the Shares; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.

3.6 No Short Position. As of the date hereof, and as of the Closing Date, the Purchaser acknowledges and agrees that it does not and will not (between the date hereof and the Closing Date) engage in any short sale of the Company's voting stock or any other type of hedging transaction involving the Company's securities (including, without limitation, depositing shares of the Company's securities with a brokerage firm where such securities are made available by the broker to other customers of the firm for purposes of hedging or short selling the Company's securities).

4. Conditions to Closing.

4.1 Conditions to Obligations of Purchaser at Closing. The Purchaser's obligation to purchase the Shares at the Closing is subject to the fulfillment to the Purchaser's reasonable satisfaction, on or prior to the Closing, of all of the following conditions, any of which may be waived by the Purchaser:

(a) Representations and Warranties True; Performance of Obligations. The representations and warranties made by the Company in Section 2 shall be true and correct in all material respects on the Closing Date with the same force and effect as if they had been made on and as of said date and the Company shall have performed and complied with all obligations and conditions herein required to be performed or complied with by it on or prior to the Closing and a certificate duly executed by an officer of the Company, to the effect of the foregoing, shall be delivered to the Purchaser.

(b) Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to counsel to the Purchaser, and counsel to the Purchaser shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request. The Company shall have delivered (or caused to have been delivered) to the Purchaser, the certificates required by this Agreement.

(c) Qualifications, Legal Investment. All authorizations, approvals, or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful sale and issuance of the Shares shall have been duly obtained and shall be effective on and as of the Closing. No stop order or other order enjoining the sale of the Shares shall have been issued and no proceedings for such purpose shall be pending or, to the knowledge of the Company, threatened by the SEC, or any commissioner of corporations or similar officer of any state having jurisdiction over this transaction. At the time of the Closing, the sale and issuance of the Shares shall be legally permitted by all laws and regulations to which the Purchaser and the Company are subject. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction will have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

(d) Execution of Agreements. The Company shall have executed this Agreement and have delivered this Agreement to the Purchaser.

(e) Secretary's Certificate. The Company shall have delivered to the Purchaser a certificate of the Secretary of the Company certifying as to the truth and accuracy of the resolutions of the board of directors relating to the transaction contemplated hereby (a copy of which shall be included with such certificate).

(f) Trading and Listing. Trading and listing of the Company's common stock on the Principal Market shall not have been suspended by the SEC or the Principal Market.

(g) Market Listing. The Company will comply with all of the requirements of the Financial Industry Regulatory Authority, Inc. and the Principal Market with respect to the issuance of the Shares and will list the Shares on the Principal Market no later than 120 days following the Closing Date.

(h) Blue Sky. The Company shall have obtained all necessary "blue sky" law permits and qualifications, or have the availability of exemptions therefrom, required by any state for the offer and sale of the Shares.

(i) Material Adverse Change. Since the date of this Agreement, there shall not have occurred any event which results in a Material Adverse Effect.

4.2 Conditions to Obligations of the Company. The Company's obligation to issue and sell the Shares at the Closing is subject to the fulfillment to the Company's reasonable satisfaction, on or prior to the Closing of the following conditions, any of which may be waived by the Company:

(a) Representations and Warranties True. The representations and warranties made by the Purchaser in Section 3 shall be true and correct in all material respects on the Closing Date with the same force and effect as if they had been made on and as of said date.

(b) Performance of Obligations. The Purchaser shall have performed and complied with all agreements and conditions herein required to be performed or complied with by them on or before the Closing. The Purchaser shall have delivered the Purchase Price in the form of a reduction of the outstanding principal balance of the Note in the amount of $15,000,000.

(c) Qualifications, Legal Investment. All authorizations, approvals, or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful sale and issuance of the Shares shall have been duly obtained and shall be effective on and as of the Closing. No stop order or other order enjoining the sale of the Shares shall have been issued and no proceedings for such purpose shall be pending or, to the knowledge of the Company, threatened by the SEC, or any commissioner of corporations or similar officer of any state having jurisdiction over this transaction. At the time of the Closing, the sale and issuance of the Shares shall be legally permitted by all laws and regulations to which the Purchaser and the Company are subject. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction will have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

(d) Execution of Agreements. The Purchaser shall have executed this Agreement and delivered this Agreement to the Company.

5. Additional Covenants.

5.1 Reporting Status. With a view to making available to the Purchaser the benefits of certain rules and regulations of the SEC which may permit the sale of the Shares to the public without registration, the Company agrees to use its reasonable efforts to file with the SEC, in a timely manner all reports and other documents required of the Company under the Exchange Act. The Company will otherwise take such further action as the Purchaser may reasonably request, all to the extent required from time to time to enable the Purchaser to sell the Shares without registration under the Securities Act or any successor rule or regulation adopted by the SEC.

5.2 Listing. So long as the Purchaser owns any of the Shares, the Company will use its reasonable efforts to maintain the automated quotation of its Common Stock, including the Shares, on the Principal Market or an alternative listing on the Nasdaq Stock Market or the New York Stock Exchange and will comply in all material respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Financial Industry Regulatory Authority, Inc. and such exchanges, if applicable.

5.3 Non-Public Information. The Company covenants and agrees that neither it nor any other person acting on its behalf will provide the Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless (i) such information is being provided in connection with the Loan Agreement and the Note or (ii) prior thereto the Purchaser shall have executed a written agreement regarding the confidentiality and use of such information. The Company understands and confirms that the Purchaser shall be relying on the foregoing representations in effecting transactions in securities of the Company.

6. Miscellaneous.

6.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the choice of law provisions thereof, and the federal laws of the United States.

6.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto.

6.3 Entire Agreement. This Agreement and the exhibits hereto, and the other documents delivered pursuant hereto or contemporaneous herewith, constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants, or agreements except as specifically set forth herein or therein. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.4 Severability. In the event any provision of this Agreement shall be invalid, illegal, or unenforceable, it shall to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties, and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

6.5 Amendment and Waiver. Except as otherwise provided herein, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively, and either for a specified period of time or indefinitely), with the written consent of the Company and the Purchaser. Any amendment or waiver effected in accordance with this Section 6.5 shall be binding upon any holder of any Shares purchased under this Agreement, each future holder of all such securities, and the Company.

6.6 Fees and Expenses. Except as otherwise set forth herein, the Company and the Purchaser shall bear their own expenses and legal fees incurred on their behalf with respect to this Agreement and the transactions contemplated hereby. Each party hereby agrees to indemnify and to hold harmless of and from any liability the other party for any commission or compensation in the nature of a finder's fee to any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which such indemnifying party or any of its employees or representatives are responsible.

6.7 Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be delivered by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, or by email and shall be deemed given (i) if delivered by first-class registered or certified mail, upon the business day received, (ii) if delivered by nationally recognized overnight carrier, one business day after timely delivery to such carrier, or (iii) if delivered by email, upon electric confirmation of receipt, and shall be addressed as follows, or to such other address or addresses as may have been furnished in writing by a party to another party pursuant to this paragraph:

if to the Company, to:

The Arena Group Holdings, Inc.
200 Vesey Street, 24th Floor
New York, New York 10281
Attn: J. Alex Wasserburger, SVP, General Counsel
Email: alex.wasserburger@thearenagroup.net

with a copy to:

_____
_____
_____
_____
Attn: _____
Email: _____

if to the Purchaser, at the address on the signature page to this Agreement.

6.8 Survival of Representations, Warranties and Agreements. Notwithstanding any investigation made by any party to this Agreement, all covenants, agreements, representations and warranties made by the Company and the Purchaser herein shall survive the execution of this Agreement, the delivery to the Purchaser of the Shares being purchased and the payment therefor, and a party's reliance on such representations and warranties shall not be affected by any investigation made by such party or any information developed thereby.

6.9 Counterparts. This Agreement may be executed by facsimile or electronic signature and in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

[*The Remainder of this Page is Blank*]

In witness whereof, the foregoing Common Stock Purchase Agreement is hereby executed as of the date first above written.

THE ARENA GROUP HOLDINGS, INC.

By: */s/ Sara Silverstein*
Name: Sara Silverstein
Title: CEO

In witness whereof, the foregoing Common Stock Purchase Agreement is hereby executed as of the date first above written.

SIMPLIFY INVENTIONS, LLC

By: */s/ Shawn McCue*
Name: Shawn McCue
Title: CFO

Tax Identification No.:
State of Organization: Delaware
State of Principal Place of Operations: Michigan

Address for Notice:
38955 Hills Tech Drive
Farmington Hills, MI 48331

Attention: Shawn McCue, CFO
Telephone:
Facsimile:

Exhibit 99.1

The Arena Group Reports 2024 Second Quarter Financial Results

Company Highlights Success of Recent Restructurings, Majority Shareholder Significantly Increases Financial Commitment for Future Growth

NEW YORK – August 19, 2024 – The Arena Group Holdings, Inc. (NYSE American: AREN), today provided an operational update and reported financial results for the three months ended June 30, 2024.

Management Commentary

"Nearly all of our cost reduction initiatives are complete, leading to an expected over $40 million in eliminated costs on an annual basis," commented Sara Silverstein, The Arena Group's Chief Executive Officer. "As a result, our net losses significantly narrowed, demonstrating that we are on the right path."

"We achieved positive Adjusted EBITDA in the current quarter with performance increasing significantly within the quarter from April to June 2024," she added. "Excluding non-recurring severance charges and higher legal fees would have delivered profitability in June. We anticipate being able to report to our shareholders further improvements in the second half of this year due to the continued phase-out of restructuring costs, increased operational efficiencies and modest organic growth."

Expanded Line of Credit, Increased Liquidity and Termination of Business Combination Agreement

"I want to be clear: I am as committed to The Arena Group today as I have ever been, particularly in light of the shift towards profitability and the success of new leadership in such a short period of time," commented Manoj Bhargava, owner of Simplify Inventions

Shortly after the opening of business on Monday August 19, 2024, The Board of The Arena Group, and the ownership of Simplify Inventions, LLC, ("Simplify") finalized previously disclosed negotiations around alternative structures or options to the proposed business combination agreement. As a result, The Arena Group and Simplify mutually agreed to terminate the proposed business combination agreement in light of changes in the structures of both organizations. To increase the strength of the Company's balance sheet and to address liquidity concerns, Simplify has agreed to:

- Increase the Company's existing $25 million line of credit with Simplify to $50 million;
- Convert $15 million drawn on the line of credit to common equity based on today's 60-day volume-weighted average stock price (VWAP); and
- Line of Credit maturity date extended to December 1, 2026.

"In the months since our pending business combination with Bridge Media was first agreed to, The Arena Group has ended its management of Sports Illustrated and the Bridge Media assets have not performed to expectations," continued Ms. Silverstein. "As a result, combining the assets of The Arena Group and Bridge Media no longer made sense. We have terminated the business combination and will move forward as a significantly strengthened stand-alone company with the continued support of our majority shareholder, Simplify."

Though the expansion and modification of terms on the existing line of credit with Simplify increase liquidity and strengthen The Arena Group, these changes do not alleviate all conditions that raised substantial doubt about The Arena Group's ability to continue as a going concern as previously disclosed.

Business Highlights

- **Sports Vertical:** The new management team overhauled the structure and business model of the Athlon Sports brand, shifting from a fixed to a variable cost model. Following the exiting of the Sports Illustrated brand, the new framework reached strong operational performance in six weeks. Traffic increased nearly four-fold from the first to the second quarter of 2024, reaching more than 150 million pageviews. This represents an increase of over 600% year over year.

- **Finance Vertical:** This vertical produced the best quarter on record by delivering a year over year increase of over 750% in markets team page view traffic and diversifying and solidifying revenue streams through affiliate commerce, the relaunch of a new and improved TheStreet Pro subscription offering, and the launch of the Come Cruise with Me site and newsletter.

- **Lifestyle Vertical:** The Company's lifestyle vertical achieved the highest April and May traffic on record and delivered record vertical revenue. A continued focus on the health category resulted in major pharmaceutical and healthcare sponsorships. The Company published four newsstand issues of Parade magazine sold exclusively in Dollar Tree stores and launched a new Best Reads channel.

- **Commerce Vertical:** Revenue growth in the commerce vertical accelerated in the current quarter and the Company delivered year-over-year increases in both content output and revenue as compared to June 2023.

- **Adventure Vertical**: Traffic in the adventure vertical nearly doubled year over year as compared to the second quarter of 2023 while remaining stable as compared to the first quarter of 2024. The Company launched the first integrated campaign across digital, social and video on all sites and published the first digital cover of Men's Journal since March 2023.

Second Quarter 2024 Financial Results

Total revenue was $27.2 million compared to $34.1 million for the second quarter last year, a decrease of 20.2%, reflecting a decrease in print revenue of $2.8 million due primarily to the shutdown of Athlon Outdoor print operations, as well as lower digital revenue. The primary driver of the decrease in digital revenue was a 10.0% decrease in digital advertising revenue due to the curtailing of certain less profitable brands. Gross profit was $10.7 million, or 39.3% gross profit margin, compared to gross profit of $13.2 million, or 38.7% gross profit margin, in the second quarter last year. The increase in gross profit margin was driven by a higher mix of revenue from sports partners, which receive a higher revenue share.

Total operating expenses were $13.3 million compared to $19.6 million for the second quarter last year, a decrease of 32.1%. Included in this reduction was a 45.7% decrease in selling and marketing costs and a 25.6% decrease in general and administrative costs. The decreases were primarily related to decreases in payroll and employee benefits costs, lower professional marketing services expenses and a reduction in circulation costs.

For the three months ended June 30, 2024, the net loss from continuing operations was $6.9 million, a narrowing of $4.6 million compared to a net loss from continuing operations of $11.5 million in the comparable quarter last year. Net loss, inclusive of a $1.2 million loss from discontinued operations (net of tax), was $8.2 million, or $0.28 per diluted share, compared to a net loss of $19.5 million (inclusive of a loss from discontinued operations of $8.0 million), or $0.88 per diluted share in the second quarter last year.

As of June 30, 2024, the Company had cash and cash equivalents of $6.1 million, compared to $9.3 million as of December 31, 2023. Total debt as of June 30, 2024 was $123.1 million compared to $129.8 million as of December 31, 2023, a reduction of $6.7 million.

KPMG Appointed as Independent Auditor

On July 11, 2024, the Board of Directors approved the appointment of KPMG LLP as The Arena Group's new independent registered public accounting firm to perform independent audit services, effective immediately, replacing Marcum LLP.

About The Arena Group

The Arena Group (NYSE American: AREN) is an innovative technology platform and media company with a proven cutting-edge playbook that transforms media brands. Our unified technology platform empowers creators and publishers with tools to publish and monetize their content, while also leveraging quality journalism of anchor brands like TheStreet, Parade, Men's Journal and Athlon Sports to build their businesses. The company aggregates content across a diverse portfolio of over 265 brands, reaching over 100 million users monthly. Visit us at thearenagroup.net and discover how we are revolutionizing the world of digital media.

Forward Looking Statements

This press release includes statements that constitute forward-looking statements. Forward-looking statements may be identified by the use of words such as "forecast," "guidance," "plan," "estimate," "will," "would," "project," "maintain," "intend," "expect," "anticipate," "prospect," "strategy," "future," "likely," "may," "should," "believe," "continue," "opportunity," "potential," and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters, and include, for example, statements related to the Company's anticipated future expenses and investments, business strategy and plans, expectations relating to its industry, market conditions and market trends and growth, market position and potential market opportunities, and objectives for future operations. These forward-looking statements are based on information available at the time the statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the ability of the Company to expand its verticals; the Company's ability to grow its subscribers; the Company's ability to grow its advertising revenue; general economic uncertainty in key global markets and a worsening of global economic conditions or low levels of economic growth; the effects of steps that the Company could take to reduce operating costs; the remaining effects of the COVID-19 pandemic and impact on the demand for the Company products; the inability of the Company to sustain profitable sales growth; circumstances or developments that may make the Company unable to implement or realize the anticipated benefits, or that may increase the costs, of its current and planned business initiatives; and those factors detailed by the Company in its public filings with the SEC, including its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Should one or more of these risks, uncertainties, or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

Investor Relations Contact

Rob Fink, FNK IR
aren@fnkir.com
646.809.4048

The Arena Group Contact

Steve Janisse
c-sjanisse@thearenagroup.net
404.574.9206

Tables Follow

THE ARENA GROUP HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Revenue	$ 27,183	$ 34,072	$ 56,124	$ 62,490
Cost of revenue (includes amortization of developed technology and platform development for three months ended 2024 and 2023 of $1,507 and $2,323, respectively and for the six months ended 2024 and 2023 of $3,056 and $4,692, respectively)	16,465	20,855	36,473	38,945
Gross profit	10,718	13,217	19,651	23,545
Operating expenses				
Selling and marketing	3,751	6,904	8,315	12,751
General and administrative	8,632	11,601	18,767	24,576
Depreciation and amortization	913	1,065	1,900	2,161
Loss on impairment of assets	-	-	1,198	119
Total operating expenses	13,296	19,570	30,180	39,607
Loss from operations	(2,578)	(6,353)	(10,529)	(16,062)
Other (expense) income				
Change in valuation of contingent consideration	-	90	(313)	(409)
Interest expense, net	(4,249)	(5,001)	(8,588)	(9,183)
Liquidated damages	(76)	(177)	(152)	(304)
Total other expense	(4,325)	(5,088)	(9,053)	(9,896)
Loss before income taxes	(6,903)	(11,441)	(19,582)	(25,958)
Income tax provision	(35)	(86)	(76)	(93)
Loss from continuing operations	(6,938)	(11,527)	(19,658)	(26,051)
Loss from discontinued operations, net of tax	(1,249)	(7,957)	(91,887)	(12,810)
Net loss	$ (8,187)	$ (19,484)	$ (111,545)	$ (38,861)
Basic and diluted net loss per common share:				
Continuing operations	$ (0.24)	$ (0.52)	$ (0.70)	$ (1.27)
Discontinued operations	(0.04)	(0.36)	(3.27)	(0.62)
Basic and diluted net loss per common share	$ (0.28)	$ (0.88)	$ (3.97)	$ (1.89)
Weighted average number of common shares outstanding – basic and diluted	29,399,365	22,074,500	28,110,331	20,509,676

THE ARENA GROUP HOLDINGS, INC., AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 6,085	$ 9,284
Accounts receivables, net	22,698	31,676
Prepayments and other current assets	5,555	5,791
Current assets from discontinued operations	1,014	43,648
Total current assets	35,352	90,399
Property and equipment, net	225	328
Operating lease right-of-use assets	2,565	176
Platform development, net	7,380	8,723
Acquired and other intangible assets, net	24,489	27,457
Other long term assets	773	1,003
Goodwill	42,575	42,575
Noncurrent assets from discontinued operations	-	18,217
Total assets	$ 113,359	$ 188,878
Liabilities, mezzanine equity and stockholders' deficiency		
Current liabilities:		
Accounts payable	$ 4,977	$ 7,803
Accrued expenses and other	27,270	28,903
Line of credit	-	19,609
Unearned revenue	10,719	16,938
Subscription refund liability	131	46
Operating lease liability, current portion	122	358
Contingent consideration	-	1,571
Liquidating damages payable	3,076	2,924
Simplify loan	12,748	-
Bridge notes	8,000	7,887
Debt	102,372	102,309
Current liabilities from discontinued operations	97,516	47,673
Total current liabilities	266,931	236,021
Unreaned revenue, net of current portion	530	542
Operating lease liability, net of current portion	2,101	-
Other long-term liabilities	169	406
Deferred tax liabilities	661	599
Noncurrent liabilities from discontinued operations	-	10,137
Total liabilities	270,392	247,705
Mezzanine equity:		
Series G redeemable and convertible preferred stock, $0.01 par value, $1,000 per share liquidation value and 1,800 shares designated; aggregate liquidation value: $168; Series G shares issued and outstanding: 168; common shares issuable upon conversion: 8,582 at March 31, 2024 and December 31, 2023	168	168
Total mezzanine equity	168	168
Stockholders' deficiency:		
Common stock, $0.01 par value, authorized 1,000,000,000 shares; issued and outstanding: 29,573,932 and 23,836,706 shares at June 30, 2024 and December 31, 2023, respectively	295	237
Additional paid-in capital	332,702	319,421
Accumulated deficit	(490,198)	(378,653)
Total stockholders' deficiency	(157,201)	(58,995)
Total liabilities, mezzanine equity and stockholders' deficiency	$ 113,359	$ 188,878